



Governor Terry E. Branstad
Lt. Governor Kim Reynolds
San Wong, Director

Report on Individual Development Accounts, House File 648

September, 2013

In accordance with House File 648, Division III, Section 9, Subsection 7, 2013 Session, the Department of Human Rights, Division of Community Action Agencies submits the following report to the General Assembly.

H.F. 648 appropriated \$100,000 to the Individual Development Account State Match fund created in Iowa Code Section 541A.7 and administered by the Department of Human Rights (DHR) to support the operating organizations providing Individual Development Accounts (IDA's) in Iowa. H.F. 648 requires a report to the General Assembly by October 1 of each year through 2016 detailing the expenditures made from moneys appropriated in this subsection during the previous fiscal year.

H.F. 648 was signed into law by the Governor on June 20, 2013. No expenditures from these moneys were made in FY 2013. The term of the contract with the operating organization providing IDA's in Iowa is effective through June 30, 2014, as required by H.F. 648.

The Department anticipates that the funds appropriated in H.F. 648 will be utilized in FY14 to establish approximately 45 additional individual development accounts with a savings goal to purchase a home, pay for education, purchase a car, start a business, or pay for assistive technology for a person with a disability, and to support the administrative costs of the operating organization in accordance with Iowa Code Section 541A.

Background:

The IDA program was established in 2009 to encourage low-income working Iowans to establish savings accounts for long-term asset development that lead to family self-sufficiency. Participants can qualify for up to \$2,000 in state matching funds to pay for higher education or job training costs, purchase a home, start a small business, pay for emergency medical costs, pay for an automobile, or purchase assistive technology for a family member with a disability. Savers also participate in financial education courses and asset-specific education.

The IDA program is operated under a contract with the Iowa Credit Union Foundation, which was awarded the grant through an RFP process.

As of January, 2013, the IDA program had achieved the following results:

102 total assets purchases, 51 with state funds:

- Home – 37 (19 with state funds)
- Education - 17 (9 with state funds)
- Vehicle - 28 (11 with state funds)
- Small business - 12 (4 with state funds)
- Assistive Technology- 3 (3 with state funds)
- Rebuild Iowa – 5 (5 with state funds)

Amount of participant savings deposited to accounts- \$376,375 (all savers)

Total Number of Currently Active Accounts - 102

For more information about the Individual Development Accounts program, contact;

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